

BOARD OF DIRECTORS – ACTION SUMMARY

Wednesday, August 11, 2004 – 6:00 p.m.

**Administration Building
2101 Hurley Way, Sacramento, CA**

CALL TO ORDER

The meeting was called to order by President Jones. Board Members present: Engellenner, Goold, Granados, Jones, Lawson, Trujillo, Valley. Director Duveneck, absent. Staff: Deputy Chief Latta, General Counsel Price, Board Clerk Tilson.

PLEDGE OF ALLEGIANCE

COMMENDATION—JAMES M. STEWART-DIRECTOR

- On behalf of the Board of Directors, President Jones presented a plaque to Jim Stewart in recognition of his outstanding contributions and meritorious service to the District as a member of the Board of Directors from December 1998 through June 2004.

During his tenure he served as President and Secretary of the Board of Directors including service on the Executive and Finance Committees providing the highest degree of leadership and total commitment to the District.

- Fire Chief Martinez expressed his personal appreciation for their association over the last 25 years.
- A host of family and friends were present for the presentation.
- **Recess at 6:05 p.m. Meeting reconvened at 6:25 p.m.**

PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA

CONSENT AGENDA:

1. Board Meeting Action Summary—July 28, 2004

- **Board Action:**
Goold/Kelly—approve the Consent Agenda. Directors Engellenner, Goold, Granados, Kelly, Jones, Lawson, Trujillo, Valley, AYE. Director Duveneck, absent. Motion carried.

ACTION ITEM(S)**1. Resolution No. 41-04—Special Fire Tax-Rancho Murieta/Sloughhouse Area—(Appel)**

- The special fire tax, initiated to replace the Fire Suppression Assessment Fee that had been in place in the area since 1986, was capped at a maximum of \$100 per parcel. An estimated revenue figure of \$300,000 from the special tax was incorporated in the development of the 2004/05 Preliminary Budget.
- By code, the County Assessor cannot levy or collect our special fire tax in the Rancho Murieta/Sloughhouse area without formal annual authorization from the District.
- Staff recommends adoption of the Resolution authorizing the Sacramento County Assessor to incorporate our Special Fire Tax in the Rancho Murieta/Sloughhouse area with the 2004/2005 Sacramento County property tax levy.
- **Board Action:**
Engellenner/Valley—adopt the Resolution. Directors Engellenner, Goold, Granados, Kelly, Jones, Lawson, Trujillo, Valley, AYE. Director Duveneck, absent. Motion carried.

2. Resolutions – Direct the Sale of Surplus Real Properties—(Horel)

- a. **Resolution No. 42-04—APN 228-0131-012 at 5252 Jackson Street, North Highlands**
- b. **Resolution No. 43-04—APN 261-0020-026 at 6131 Kenneth Avenue, Fair Oaks**
- The properties are in the appraisal process to determine the value. The sale proceeds would be deposited into the District's Capital Improvement Program Reserve Fund to help offset the cost of new fire station real property acquisition and development costs. The District is close to exhausting its impact development fees.
- Some question remained on the benefits for retention of the properties due to the rapid appreciation in property values.

- Staff recommends adoption of the Resolutions to declare certain real property as surplus and to direct the sale of said property in accordance with a sealed bid process.
- **Board Action:**
Goold/Valley—approve the staff recommendation to adopt the Resolutions. Directors Goold, Kelly, Jones, Lawson, Valley, AYE. Directors Engellenner, Granados, Trujillo, NO. Director Duveneck, absent. Motion carried by a 5 – 3 vote.

**3. Resolution No. 44-04—Industrial Disability Retirement Application—
Fire Captain Randolph R. Clover—(Appel)**

[Considered after the Closed Session]

- Work related injury precluding performance of duties in the position of Fire Captain.
- Application filed with the Public Employees' Retirement System.
- Recommend approval; retirement effective August 12, 2004.
- **Board Action:**
Kelly/Granados—adopt the Resolution. Directors Goold, Granados, Kelly, Lawson, Trujillo, Valley, Jones, AYE. Director Engellenner, abstaining. Director Duveneck, absent. Motion carried.

PRESENTATION ITEM(S):

1. Pension Obligation Bonds (POBs) Update—(Appel)

- Director Lawson distributed copies to the Board of written Pension Obligation Bond Questions.

Copies were made available to the audience as requested.
- Presentation update on the POBs
 - Anticipate a complete presentation either September 8 or September 22--Bond Counsel, possibly an independent consultant, underwriters, bankers, to explain the entire process. Information will include the amount of the bonds, increments of the sale, interest rate on each issue, plan for recalling the bonds, options if bonds are recalled, etc.

- Several options explored including a pooling system in consolidation with other public agencies but felt it was not advantageous.
 - Considering bonds that will be callable at various points from time of issue.
 - Research indicates a reduction in our retirement contribution to both CalPers and SCERS by about \$6 million annually. The repayment for refinancing of the bonds will cost around \$4 million per year-anticipate around \$1.8 million annually in savings.
 - Concern will be addressed on who can authorize the sale of the bonds, with the Board making that determination.
- Bond sales proceeds will go directly to CalPers and SCERS.
 - Information will be provided to the Board for evaluation and direction.
 - Finance Director Houghton to work with Deputy Chief Appel on responses to the POB questions from Director Lawson by the next Board meeting. Bond Counsel to address any unanswered questions at the presentation.

2. LOCAL Coalition and 2004/05 State Budget—(Appel)

- The Governor signed a \$105 billion State Budget on August 31. The budget requires a \$1.3 billion contribution from local government property taxes for each of the next two years. The special districts' portion of that \$1.3 billion will be \$350 million each; however, fire, police, hospital/health care, library and veterans' memorial districts were exempted from the required property tax shift to the State.

As a result, Metro Fire will retain its current full allotment of property tax revenues.

- Acknowledged and thanked Fire Chief Martinez for his efforts and contributions throughout these negotiations.
- Provided an outline of the constitutional amendment to be placed on the November 2004 ballot that will protect the District's property taxes from being shifted by the State through ERAF in future years.

- District staff spoke directly with several local State representatives, made numerous telephone calls, and wrote over 50 letters to the Governor, Senators, and Assembly Members in support of a State budget that would not shift property taxes from the District and would protect our future revenues.
- Director Granados acknowledged Deputy Fire Marshal Mike Stewart and the Fire Prevention Officers in California who worked extremely hard on this issue with NorCal.
- Assistant Chief Dan Haverty also was a part of a team effort involving labor, cities, counties, and districts.

3. Special Districts Representative to the Sacramento County Treasury Oversight Committee—(Jones)

- Finance Director Drew Houghton expressed his desire to serve on the Committee, accompanied by a letter of interest and Candidate Statement, requesting Board support of his nomination for election.
- **Board Action:**
Valley/Goold—nominate Drew Houghton. Directors Engellenner, Goold, Granados, Kelly, Lawson, Trujillo, Valley, Jones, AYE. Director Duveneck, absent. Motion carried.

PRESIDENT'S REPORT—(Jones)

- Congratulated Director Jim Stewart. Thanked Board Clerk Charlotte Tilson for assistance in the recognition ceremony and reception.

FIRE CHIEF'S REPORT—(Fire Chief Martinez)

- The McClellan contract with the Coast Guard is in the process of renewal. Deputy Chief Latta is coordinating the paperwork.
- August 25—anticipate a Final Budget presentation for possible adoption on September 8—statutory requirement for adoption by September 30.
- September 8 or September 22—anticipate Pension Obligation Bond discussion.
- As reported by Deputy Chief Appel, the LOCAL Coalition and efforts of many resulted in no property tax shift for our District in the state budget.

- The California Performance Review (CPR) recommendation contains, among other things, elimination of the multi-county ERAF exemption—we are continuing to monitor.
- Metro Operations is in the process of dispatching the OES Strike Team and a Type 3 Strike Team to Oroville, each with two Metro Fire engines.
- The 2 x 2 Committee Meeting with Citrus Heights on our impact fees was productive.

GENERAL COUNSEL'S REPORT—(Price) None.

COMMITTEE AND DELEGATE REPORTS:

Executive Committee—(Jones)

- Next meeting: TBA

Communications Center Delegate—(Engellenner)

- Next Meeting: August 31, 2004 – 10:30 a.m.

California Fire & Rescue Training Authority—(Goold)

- Next Meeting: September 16, 2004 – 10:00 a.m.

Finance Committee—(Jones)

- Next meeting: August 25, 2004 – 5:00 p.m.

Policy Committee—(Granados)

- Received presentation on meeting held today.
- Next meeting: September 8, 2004 – 5:00 p.m.

INFORMATIONAL ITEMS:

Correspondence

1. Thank You from Harlan Imbery-SMFD Board/Appel

- **Board Action:**
Received and filed.

BREAK FOLLOWED BY CLOSED SESSION 7:20 PM

RECONVENE TO OPEN SESSION 7:30 PM

Report by General Counsel Price:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9(a) – One (1) Case

Randolph R. Clover vs Sacramento Metropolitan Fire District
WCAB SAC 0330592

The Board discussed the medical basis for the industrial disability retirement.
No action was taken.

Resolution to be considered under Action Item No. 3 on the Agenda.

2. PERSONNEL MATTERS

Pursuant to the California Government Code Section 54957

No discussion.

BOARD MEMBER QUESTIONS AND COMMENTS**Goold:**

- Thanked all the individuals acknowledged this evening in a presentation on the state budget who helped maintain a healthy flow of revenue into the District and saved this agency several million dollars, especially Fire Chief Martinez.

Engellenner:

- Inquired about the status of a commendation for the individuals who worked on the yearbook.

Fire Chief Martinez confirmed that it is being worked on.

Granados:

- Called for a special meeting in accordance with the 72-hour notice provision to discuss the cessation of the Fire Chief's contract.

President Jones stated coordination of the special meeting on availability of each Board member will be made through Board Clerk Tilson.

Lawson:

- Thanked Chuck Horel, Pat Ellis, Dan Haverty, and others present for their professionalism in conducting the public hearing on Station 32. There was a positive reaction to the presentation and the proposed new fire station structure.

Valley:

- Thanked everyone involved for their work in keeping the District's ERAF funds.

Jones:

- Sacramento Metropolitan Fire District needs to keep in focus that our mission here is to serve the public to the best of our ability for emergency response, and to be part of the community.

Fire Chief Martinez and his staff and the men and women on the ambulances, trucks, and engines, continues to do that every day—she is extremely proud of that commitment.

ADJOURNMENT: The meeting was adjourned at 7:40 p.m.

Gay Jones, President

H. Peter Engellenner, Secretary

Charlotte Tilson, Clerk of the Board